

**COUNTY OF LOS ANGELES**

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**DEPARTMENT OF MENTAL HEALTH**

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Reply To: (213) 738-4601  
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June 16, 2008

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.  
Director of Mental Health

SUBJECT: **JUNE 2008 STATUS REPORT  
FISCAL YEAR 2007-08 BUDGET DEFICIT MITIGATION PLAN  
AND MENTAL HEALTH SERVICES ACT IMPLEMENTATION**

This report is to provide your Board with an update of the Department's status, previously reported on May 15, 2008, regarding the efforts to:

- 1) Reduce a projected deficit in the current Fiscal Year (FY) 2007-08 Budget; and
- 2) Implement the Mental Health Services Act (MHSA) programs.

**Current Year Budget**

As of May 31, 2008, the Department is projecting that it will close the current fiscal year with a surplus of nearly \$7.9 million, an increase of approximately \$2.3 million since the last report. The change in financial status, as detailed more in the attachment, is primarily a result of the following factors:

- Lower than budgeted use of temporary psychiatric physicians in the amount of more than \$1.3 million; and
- An increase in services to Medi-Cal beneficiaries in directly operated programs of more than \$1.3 million.

These additional savings are offset, in part, by a reduction in repayments for the current fiscal year from the Department of Public Social Services of approximately \$400,000 to offset an overpayment of General Relief Opportunities for Work (GROW) funding in FY 2004-05.

*"To Enrich Lives Through Effective And Caring Service"*

### **Overall MHSA Implementation Status**

Since the last report on May 15, 2008, the following additional MHSA activities have been or are being accomplished:

<b>Date</b>	<b>Accomplishments Milestone</b>	<b>Status</b>
May 23, 2008	One-Time Funds Expansion Plan	Approved by State DMH
May 23, 2008	Plan amendment to allocate \$5.7 million in FY 2005-06 funds	Approved by State DMH
May 23, 2008	MHSA Agreement Addendum for FY 2008-09	Submitted to State DMH for execution
May 28, 2008	MHSA Agreement FYs 2004-05 thru 2007-08	Approved by the State DMH
June 10, 2008	Plan for CalHFA housing program and Agreement with CalHFA	Approved by Board of Supervisors
<b>Upcoming Major Milestones</b>		
June 17, 2008	Approval of MHSA transformation plan for legal entity providers	Scheduled to be heard by Board of Supervisors
June 17, 2008	FY 2008-09 CSS Plan Update	Target date to post for public comment period
Prevention and Early Intervention (PEI)	In plan development and stakeholder discussions. 52 of 53 key informant interviews have been conducted. 4 of 60 focus groups have been conducted.	TBD
Workforce Education and Training (WET)	In plan development and stakeholder discussion. Collection of need assessment data is complete and currently being analyzed. Developing a process to prioritize needs and identify strategies to mitigate.	September 30 <sup>th</sup> public posting target date
Capital Facility/Information Technology	In plan development and stakeholder discussions.	TBD
Implementation Progress Report	The report is currently being drafted.	Public posting and hearing targeted for July 2008.

### **Full Service Partnerships (FSP)**

As of June 15, 2008, the number of FSP authorizations increased for three (3) of the four (4) age groups. The expansion of FSP programs to accommodate former Assembly Bill (AB) 2034 clients also increased the number of available slots for adults and older adults. The change in authorizations from the previous month is delineated as follows:

- Children: The number of authorizations increased to 1,293 from 1,247, an increase of 3.7%;



- TAY: The number of authorizations increased to 932 from 898, an increase of 3.8%;
- Adult: The number of authorizations increased to 2,885 from 2,790, an increase of 3.4%; and
- Older Adult: The number of authorizations remains at 224, which represents no change from the prior month.

### **Field Capable Clinical Services (FCCS)**

As of May 30, 2008, approximately 978 clients have been served through the FCCS program for older adults, an increase of 34.9% from the previous month. The Department is working to finalize an operational agreement with the Housing Authority of the County of Los Angeles - South Bay Gardens to govern co-location of FCCS staff at South Bay Gardens. Upon completion of this agreement, there will be a total of 10 Operational Agreements with various community collaborators that have been completed during this fiscal year.

### **Wellness/Client Run Support Centers**

As of May 30, 2008, approximately 5,741 clients have been served through Wellness/Client Run Centers during FY 2007-08. During the past month, the final three (3) Wellness Centers have started operating. As a result, all 29 MHSA funded Wellness Centers are now providing wellness, recovery and peer support services.

If you have any questions regarding this report, please contact me at (213) 738-4601, or your staff may contact Robin Kay, Ph.D., Acting Chief Deputy Director, at 213-738-4108.

MJS:RK:KW:DWM

Attachment

c: William T Fujioka, Chief Executive Officer  
Sheila Shima, Deputy CEO  
Robin Kay, Ph.D.

DEPARTMENT OF MENTAL HEALTH  
PLAN TO IMPLEMENT BUDGET MITIGATIONS FISCAL YEAR 2007-08

UPDATE FOR MAY 2008

	Total	CEO Recommendation as of 2/28/08	
		DMH Absorb	Bridge
Shortfall of Contractor Mitigation for FY 2007-08	\$ (10,300,000)	\$ (2,600,000)	\$ (7,700,000)
<b>Total Year-End Estimate as of April 30, 2008</b>	<b>\$ 5,581,000</b>	<b>\$ -</b>	<b>\$ 5,581,000</b>
<u>Revisions from MAY 2008</u>			
Net Budget Status Report estimate for April 2008	\$ 2,287,000		\$ 2,287,000
Subtotal of May Revisions	\$ 2,287,000	\$ -	\$ 2,287,000
<b>Total Year-End Estimate as of May 31, 2008</b>	<b>\$ 7,868,000</b>	<b>\$ -</b>	<b>\$ 7,868,000</b>
<u>Potential Factors that Could Further Decrease Deficit/Increase Surplus</u>			
Vehicle License Fee/Realignment	\$ 1,100,000		\$ 1,100,000
<b>Subtotal Factors that Could Increase the Surplus</b>	<b>\$ 1,100,000</b>		<b>\$ 1,100,000</b>
<u>Potential Factors that Could Increase Deficit/Decrease Surplus</u>			
SB 90 Repayment from Prior Year (1)	\$ -		\$ -
Repayment of MAA Audit liability for FY 2002-03 (2)	\$ (348,000)		\$ (348,000)
<b>Subtotal Factors that Could Decrease Surplus</b>	<b>\$ (348,000)</b>		<b>\$ (348,000)</b>

**Best Case Scenario**

Current Year End Estimate	\$ 7,868,000
Potential Factors that Could Increase Surplus	\$ 1,100,000
<b>Best Case</b>	<b>\$ 8,968,000</b>

**Worst Case Scenario**

Current Year End Estimate	\$ 7,868,000
Potential Factors that Could Decrease Surplus	\$ (348,000)
<b>Worse Case</b>	<b>\$ 7,520,000</b>

- (1) SB 90 Repayment received; Auditor-Controller recommending \$3.8 million be posted to DMH. \$2.5 million was budgeted.  
(2) Estimate based on FY 2001-02. State scheduled to complete audit in April or May 2008.